Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Digital Audio Broadcasting Systems	)	MM Docket No. 99-325
And Their Impact on the Terrestrial Radio	)	
Broadcast Service	)	

To: The Commission

REPLY COMMENTS OF STATION RESOURCE GROUP, INC.

Summary

The Station Resource Group urges the Commission give particular attention to several points raised by National Public Radio in its comments addressing public interest programming concerns:

- The imposition of a license fee by iBiquity on public radio stations delivering service using digital technology. This fee would be in addition to costs stations would pay to transmission equipment manufacturers.

- The possibility that a voice grade service might be a technically feasible component of digital radio and the public service opportunities this may afford public broadcasters.

- The possibility the Commission itself has identified for the allocation of spectrum at 82-88 MHz for new public service programming services.

Background

The Station Resource Group (SRG) is a national membership organization of forty-five leading public radio licensees that operate some 170 stations.

Most broadly, SRG's concern is that the powerful public service heritage of noncommercial, educational, public service broadcasting carries forward through this transition in technology. The Commission's reservation of noncommercial channels, coupled with Federal investments through the Corporation for Public Broadcasting and the National Telecommunications and Information Administration, has fostered the establishment and growth of several hundred institutions devoted to public service programming.

For over three decades, these investments at the national level have been complemented with state and private funds. This is a vital resource to preserve and a powerful platform from which to build still further services for the future.

Implementation of iBiquity IBOC FM and License Fees

SRG joins National Public Radio in urging the Commission "to assess the cost of implementing the iBiquity IBOC FM system to ensure that the cost is not excessive."

iBiquity is owned by a number of investors, some of which are commercial radio's largest owners. SRG urges the Commission to use its influence to encourage these commercial interests to adopt a license fee structure that recognizes the special role public service broadcasters play in the overall radio industry. **Fees that are paid by public broadcasters to iBiquity owners are simply resources that will be displaced from public service programming**. SRG believes that absent these signals from the Commission, public radio, religious and other noncommercial educational broadcasters will be treated simply as radio competitors.

The fee structure should recognize the particular economies of noncommercial public service broadcasting. **SRG proposes that any fees charged to public broadcasters be approximately 10% of the fee charged to commercial broadcasters—a reflection of the broad economic valuation of reserved versus non-reserved spectrum.**

Receiver Design and the Availability of Voice-Grade Services

The Station Resource Group recognizes, understands, and is generally supportive of the long-standing reluctance of the Commission to become involved in receiver design and manufacturing issues.

There appears to be the possibility that a voice-quality service could be a technically acceptable component of IBOC digital radio services.

It also appears that commercial radio interests in ancillary transmissions lie only in text services. SRG also predicts that even if voice-quality services could be part of digital radio's repertoire, commercial broadcasters would have scant economic interest in developing such services.

Public radio's bottom line is public service. This gives public radio, in contrast to commercial radio, a mission-based incentive to develop new and complementary public services. Public radio is already delivering economically sustainable voice-quality services as part of its overall public service programming offerings (usually in partnership with other non-profit organizations).

SRG urges the Commission to take two steps. If voice-quality service can be delivered in the new digital radio world, iBiquity will only pursue this option if urged by the Commission to undergo the testing necessary to determine the feasibility of this approach.

Second, it is in the interests of commercial radio—and public radio—to encourage the development of receiver technology that will allow radio users to receive text information as well. Because commercial radio is not interested in voice-quality services, however, and in spite of the fact that all indications are that this will add only a small incremental cost to the public as individuals purchase receivers, it is clear that only public service interests are at stake with respect to this aspect of receiver design. **SRG therefore urges the Commission in this particular instance to use its influence to encourage receiver design that will allow radio users to tune to those voice-quality services that public service providers might offer.**

Allocation of Spectrum at 82-88 Mhz for New Public Service Programming

When the Commission issued its DAB Notice of Proposed Rulemaking in 1999, it stated that it might be possible to use the six megahertz of spectrum at 82-88 MHz for DAB service.

If the Commission does seriously consider this proposal, SRG suggests that it consider the following possibility consistent with the reasoning presented above:

> Reserve 82-88 MHz for noncommercial educational digital audio broadcasting service.
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> Give existing noncommercial educational broadcasters a paired digital frequency or some migration preference.

Public radio is highly motivated by its public service mission to provide additional services to the public. The availability of this spectrum to noncommercial educational radio licensees is most likely to result in new services to the public. Because this approach would not increase the number of commercial stations competing for audiences and dollars, this proposal should be acceptable to existing commercial interests.

Remaining Mindful of the Larger Context

Ten years ago SRG anticipated a future in which our member licensees would deliver multiple digital broadcast services. Using existing analog broadcast services as a launching pad and programming bed, we saw public stations developing several program streams once digital technology would expand the number of viable channels for broadcast delivery. These programming services would be complemented by national services delivered via other delivery systems.

Events unfolded along a somewhat different path. Today SRG envisions the delivery of multiple services through an array of delivery systems. In a digital broadcast context ancillary or data-type services might be able to be developed side-by-side with the primary broadcast service, but new broadcast program services will require additional broadcast outlets.

In the meantime, the Internet, direct broadcast satellite, and other delivery systems are also territory for the development of an array of public service programming services, both local and non-local in nature. Each of these delivery modes will be characterized by new economies of access to services by users. Each system will evolve with its own set of financial transactions, cost structures, and marketplace position that will, in turn, shape programming services and who has access to them. The regulatory framework that separates noncommercial and commercial broadcast services will not be the same for these other technologies. Different kinds of partnerships will flourish on these delivery systems than exist in the broadcast setting. It is uncertain how public service programming and content will play out as these new media, still in relative infancy, mature.

What is clear, however, is that the broadcast signal will remain the "mothership" of the public service radio infrastructure for years to come. It is the single service that we are assured will be freely accessible to the entire public. For at least the next decade or so, this universal access to a broadcast signal will shape the local and national dimensions of public service radio. Just as important, it will significantly affect the public service expectations we impose upon other communication media.

For these reasons there will continue to be a powerful relationship between the public services fostered over the radio broadcast airwaves and the availability of public service radio programming over all other media. From SRG's perspective, decisions that continue to foster public radio licensees' strength and capacity as broadcasters and that recognize public radio's unique responsibility to provide free and universal access to these services by the citizenry will concomitantly increase the presence of public service programming via new delivery systems.

SRG therefore sees the following issues to be of particular public service importance:

> A conversion path from analog to digital that optimizes continuous universal free access by the public to the public radio program services underwritten by taxpayer dollars and public support.
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> A timetable for conversion to digital radio that recognizes the different financing strategies of public and commercial radio. Public radio capital needs are usually addressed through a combination of government appropriations at the federal and state level and community-based capital campaigns, both of which can require multi-year efforts to achieve. Some licensees will convert transmission systems for a single station. Other licensees will need to convert state-wide systems or systems designed to their reach to rural areas via an extended system of stations, translators and repeaters.

A framework for interference protection that accommodates public radio services on the reserved portion of the FM band, which have been licensed using a protected contour basis, as well as those on the commercial bands, which are licensed under a table of allocations.

The opportunity for public radio to use any spectrum, including spectrum on which it develops services during a conversion period, to strengthen its organizational capacity to deliver public service programming over broadcast and other media.

Respectfully submitted,

STATION RESOURCE GROUP, INC.

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